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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/491,388	01/26/2000	Robert Cadoux	99629	8477

7590 11/05/2002

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EXAMINER

PWU, JEFFREY C

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 11/05/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary

Applicati n No.

09/491,388

Applicant(s)

CADOUX, ROBERT

Examin r

Jeffrey Pwu

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on ____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 3.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: .

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DETAILED ACTION

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Traub et al.(US 5,940,810) in view of “Handbook of Modern Finance”, 1995 Edition, Dennis E. Logue, herein after Logue.

Traub teaches a method for offering stock substantially claimed including:

- ▶ offering a first portion of shares of the stock at a first price (abstract; col.1, line 62-col.2, line 6; Monte Carlo Technique or SOBOL method);
- ▶ offering the second portion of the shares at a second price equal to the first price (col.2, lines 42-54);
- ▶ offering the second portion after a first trading interval of at least one hour after the offering of the first portion (it is inherent to determine the estimates duration of time based on either Monte Carlo technique or SOBOL model);

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► offering a plurality of portions of shares of stock over a plurality of serial offering stages, such that the offering stages are separated by at least one trading interval of a predetermined time period (abstract; col.1, line 62-col.2, line 6; Monte Carlo Technique or SOBOL method);and

► trading at least one portion of the shares during the at least one trading interval (col.2, lines 42-54).

Traub does not expressly show offering a second or a plurality of serial offering stages for the purpose of raising capital and reduce market volatility.

It was known at the time of the invention that any privately-held company before going IPO, the following basic issues are being considered:

- 1) When should the IPO occur?
- 2) How large should the offering be?
- 3) What will be the approximate valuation?
- 4) Which trading market should the company choose?

It is well known that during an IPO, the investment bankers will frequently refine their valuation analysis to incorporate the constant changing business conditions and stock market environment. It is also well known that in the investment banking industry that a serial staged IPO is similar to a shelf registration, in which bonds are

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traded in a first stage, second stage, third stage, or any number of stages. It is not uncommon in an initial public offering for the issue to be a combination of a primary and secondary offering, meaning that part of the issue represents new capital for the company and part is the sale of stock by existing shareholders that wish to liquidate all or some of their holdings.

Logue shows that the offering of a primary offering, a secondary or a plurality of serial offering stages for the purpose of raising capital. It is one of the investment banking industry's most basic activity under underwriting. (See pages A2-4,5)

It would have been obvious to a person having skill in the art at the time of the invention to offer a best initial offering price for a financial instrument as taught by Traub to best estimate a complex security initial valuation of the stock and to offer Logue's second and/or a plurality of serial offering stages for the purpose of seeking a highest sustainable valuation during an IPO process and to attract more investors.

Response to Arguments

3. Applicant's arguments with respect to claims 1-19 have been considered but are moot in view of the new ground(s) of rejection.

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Conclusion

4. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

5. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Jeffrey Pwu whose telephone number is (703) 308-7835.

Jeffrey Pwu



Nov 2, 2002